

Subpart C—Eligible Activities**§ 1006.201 Eligible affordable housing activities.**

Eligible affordable housing activities are development, housing services, housing management services, crime prevention and safety activities and model activities. NHHBG funds may only be used for eligible activities that are consistent with the DHHL's housing plan.

§ 1006.205 Development.

(a) NHHBG funds may be used for the acquisition, new construction, reconstruction, or moderate or substantial rehabilitation of affordable housing for homeownership or rental, which may include:

- (1) Real property acquisition;
- (2) Acquisition of affordable housing;
- (3) Financing acquisition of affordable housing by homebuyers through:
 - (i) Down payment assistance;
 - (ii) Closing costs assistance;
 - (iii) Direct lending; and
 - (iv) Interest subsidies or other financial assistance
- (4) New construction of affordable housing;
- (5) Reconstruction of affordable housing;
- (6) Moderate rehabilitation of affordable housing, including but not limited to:
 - (i) Lead-based paint hazards elimination or reduction;
 - (ii) Improvements to provide physical accessibility for disabled persons; and
 - (iii) Energy-related improvements;
- (7) Substantial rehabilitation of affordable housing, including but not limited to:
 - (i) Lead-based paint hazards elimination or reduction;
 - (ii) Improvements to provide physical accessibility for disabled persons; and
 - (iii) Energy-related improvements;
- (8) Site improvement, including recreational areas and playgrounds for use by residents of affordable housing and on-site streets and sidewalks;
- (9) The development of utilities and utility services;
- (10) Conversion;
- (11) Demolition;
- (12) Administration and planning; and

(13) Other related activities, such as environmental review and architectural and engineering plans for the affordable housing project.

(b) *Multi-unit projects.* NHHBG funds may be used to assist one or more housing units in a multi-unit project. Only the actual NHHBG eligible development costs of the assisted units may be charged to the NHHBG Program. If the assisted and unassisted units are not comparable, the actual costs may be determined based upon a method of cost allocation. If the assisted and unassisted units are comparable in terms of size, features, and number of bedrooms, the actual cost of the NHHBG-assisted units can be determined by pro-rating the total NHHBG eligible development costs of the project so that the proportion of the total development costs charged to the NHHBG Program does not exceed the proportion of the NHHBG-assisted units in the project.

§ 1006.210 Housing services.

NHHBG funds may be used for the provision of housing-related services for affordable housing, including:

- (a) Housing counseling in connection with rental or homeownership assistance;
- (b) The establishment and support of resident organizations and resident management corporations;
- (c) Energy auditing;
- (d) Activities related to the provisions of self-sufficiency and other services;
- (e) Homelessness prevention activities, which may include short term subsidies to defray rent and utility bills of an eligible family;
- (f) Payments to prevent foreclosure on a home;
- (g) Tenant-based rental assistance, which may include security deposits and/or first month's rent; and
- (h) Other services related to assisting owners, tenants, contractors, and other entities participating or seeking to participate in other housing activities assisted pursuant to the Act and this part.